



# Back to Licensing Basics: EAR Sanctions and Crime Controls



## Overview

- Sanctioned Destinations
  - Licensing/License Exceptions
  - Embargoes
  - Humanitarian Assistance
  - Record Keeping/Reporting Conditions
  - Voluntary Self Disclosures
- Crime Controls
  - Licensing Policy
  - Demonstration/Testing
  - Distribution/Resale





## Sanctioned Destinations

- Presumption of denial for most items and end-uses
- State how the items, parties and end-uses meet the criteria for a case-by-case license review policy or a presumption of approval
- License Exceptions are limited or not available



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## Sanctioned Destinations

- Comprehensive embargoes – Cuba, Syria and North Korea
  - All items subject to the EAR (EAR99)
    - Make and model for EAR99 items
    - Quantities and unit of measure
  - Can approve only for certain end-uses or reasons
    - Support in a letter of explanation
    - Example: OFAC travel category for Cuba
    - Example: BIS license policy for Syria



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## Sanctioned Destinations

- Humanitarian Assistance
  - Project based vs. capacity building
    - Transfers in-country
  - End-users identified
  - Reexports, transit and delivery methods identified
  - End-user due diligence



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## Sanctioned Destinations

- Record Keeping and Reporting Conditions
  - Most reporting conditions eliminated
  - You must keep records and provide them to BIS upon request
  - Details in EAR Part 762



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## Sanctioned Destinations

- Items already exported – Violation of the EAR
  - VSD and additional EAR part 764 authorization required
  - License only after VSD and authorization
- Avoid delay by including details
  - Reference your VSD in the application
  - Circumstances of the previous export
  - Current status of the item(s)
  - What you now wish to do with the items



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## Crime Controls

- EAR §742.7
  - General presumption of approval
  - Denial for civil unrest in region or history of human rights abuses in country



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## Crime Controls

- Demonstration or Testing
  - Temporary or permanent export?
  - Trade shows and demonstrations: In your possession or others' possession?
  - Demonstration in one location or several?
  - Testing: Will it be consumed or returned?



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## Crime Controls

- Distribution/Resale
  - Authorized for some Crime Control items and some transactions
  - Example: For resale in Canada for hunting and sport shooting
  - Any further reexports generally prohibited
    - Requires additional, separate authorization



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Questions?

Contact the Foreign Policy Division  
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